

202-011426-016

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WEST COAST OF SOUTH AMERICA
DISCUSSION AGREEMENT

FMC Agreement No. 203-011426-016

A Cooperative Working Agreement
(As Defined In 46 C.F.R. §572.104(h))

Date of Last Republication: March 31, 1997

Expiration Date: None

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ARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of the Agreement is the West Coast of South America Discussion Agreement (the "Agreement").

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of the Agreement is, through authorization of discussion, consultation and development of consensus, to foster commerce, service and stability in the trade while maintaining the parties freedom of competitive action.

ARTICLE 3: PARTIES TO THE AGREEMENT

The parties to the Agreement are set forth in Appendix A hereto.

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

The geographic scope of this Agreement shall extend, via direct service or transshipment between, on the one hand:

1. Atlantic and Gulf Coast ports of the United States,
2. Inland or coastal points in the United States via Atlantic and Gulf Coast ports, and
3. Ports and inland points in Puerto Rico and the U.S. Virgin Islands

on the other hand:

1. Ports in Ecuador, the Pacific Coast of Colombia, Peru and Chile,
2. In-transit cargo to Bolivia via ports in Peru and Chile
3. Inland or coastal points in Ecuador, Colombia, Peru and Chile and inland points in Bolivia

hereinafter called "the Trade".

ARTICLE 5: AGREEMENT AUTHORITY

(a) The parties are authorized, but not required, to meet, exchange information or otherwise discuss their separate tariffs, rates, service items, rules and service contracts, in the trade, and to reach consensus or agreement thereon but shall, despite any agreement, have no obligation under this Agreement to adhere, other than voluntarily, thereto. The authority of the parties includes, but is not limited to, consideration, discussion, exchange of information and, to the extent the parties choose to do so, agreement, on all aspects of transportation and service in the trade, including rates, charges, classification, practices, terms, conditions and rules and regulations applicable to transportation of cargo in the trade and to services provided in connection therewith, notice periods for changing rates and service items, port-to-port rates, overland rates, minilandbridge rates, interior point intermodal rates, port area intermodal rates, proportional rates, through rates, inland portions of through rates, joint rates, minimum rates, surcharges, arbitraries, volume rates, joint time/volume rates, project rates, freight-all-kinds rates, volume incentive programs, loyalty arrangements or fidelity commission systems, conforming to the anti-trust laws of the United States, consolidation, consolidation allowances, rates on commodities exempt from tariff filing, absorptions, equalization, substituted (alternate port) services, allowances, freight forwarder compensation, brokerage, the conditions determining such compensation or brokerage and the payment thereof, receiving, handling, storing, and delivery of cargo, designation of base ports and points, pick up and delivery charges, free time practices, detention, demurrage, container freight stations, port and inland container yards and container depots, terminals and other points of cargo receipt, vanning, devanning, furnishing equipment to or leasing equipment from shippers/consignees/inland carriers/others, collection agents at destination, maintaining and distributing information and data and statistics and all other practices, rules, regulations, and matters ancillary to transportation of cargo moving within the scope of this Agreement, rules regarding the time and currency in which the parties collect their rates and charges, credit conditions, suspension and restoration of credit privileges, handling of delinquent accounts and interest thereon. The parties may discuss any rate, service item or rule on which independent action has been taken and service contracts, if any. The parties will, to the extent required by law or as determined by them, publish and file their own separate tariff or tariffs.

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(b) This Agreement does not authorize any common tariffs. The parties are not required hereunder to agree upon, or if they do agree, to adhere to any uniform rates, charges, practices, conditions of service, or other decisions. There is no provision in this Agreement for any sharing of expense or conduct of any collective administrative affairs. Each party shall designate a point or points of entry for receipt of all inter-party communications in connection with the operation of this Agreement.

(c) An agreement made hereunder by the Agreement Party is an agreement on behalf of and is binding on each member of the Agreement Party to the same extent that the Conference is bound.

(d) The parties may meet in person, by telephone or conduct business by written, telex, telefax, e-mail or other electronic exchanges. At any meeting and in order to foster a consensus, all carriers, including the individual carrier members of Agreement Party, may communicate directly with the independent carrier parties and express their views with respect to any matter authorized herein.

(e) To further assist in reaching a consensus all carriers, including the individual carrier members of Agreement Parties, may communicate directly with some or all of the independent carrier parties and exchange information with them, with respect to any matter authorized herein, prior to meetings of the Agreement.

(f) The parties may charter space to, from and among each other and with members of the West Coast of South America Agreement, FMC Agreement No. 202-002744, on vessels owned or operated by them or members of the West Coast of South America Agreement in the Trade on such terms and conditions as they shall agree. The parties may also jointly establish sailing schedules, port rotation, limit sailings and jointly advertise each others vessels or vessels owned or operated by members of the West Coast of South America Agreement.

(g) The Agreement shall submit to the FMC separate and sequentially numbered confidential minute records on a quarterly calendar year basis reporting on all on-going (i.e., other than casual) charter arrangements entered into between or among the Members pursuant hereto and specifying for each such arrangement (i) the names of the chartering and underlying carrier parties; (ii) the amount of space chartered expressed in twenty foot equivalent units (TEU's); (iii) the commencement and termination dates; and (iv) the port or ports from or to which it applies.

ARTICLE 6: OFFICIALS OF THE AGREEMENT AND DELEGATION OF
AUTHORITY

The Chairman of the Agreement Party shall serve as the Secretary of and shall be responsible for taking minutes of meetings and filing any reports with the Federal Maritime Commission as may be required. The parties may appoint a Secretariat to provide administrative and housekeeping functions in connection with the operation of this Agreement, delegate such authority to persons performing those services as may be necessary for that purpose and apportion any expenses in connection with administration of the Agreement between or among them.

The persons authorized to file the Agreement or any subsequent modifications thereto with and submit associated supporting materials to the Federal Maritime Commission are Sher & Blackwell, Attorneys-At-Law, or such other persons as the parties may hereafter designate in writing.

ARTICLE 7: MEMBERSHIP, WITHDRAWAL, READMISSION AND EXPULSION

Any ocean common carrier or conference of such carriers (as defined in the Shipping Act of 1984) which is regularly engaged as an ocean common carrier in the trade, directly or by transshipment, or which furnishes evidence of ability and an intention in good faith to institute and maintain a regular service in the trade, may hereafter become a party to this Agreement by signing the Agreement or a counterpart copy thereof and furnishing the same to the other parties. Prompt notice of admission to membership shall be furnished to the Federal Maritime Commission and no admission shall be effective prior to the date a party's admission is effective in accordance with the regulations of the Federal Maritime Commission. carrier parties and express their views with respect to any matter authorized herein.

(e) To further assist in reaching a consensus all carriers, including the individual carrier members of Agreement Parties, may communicate directly with some or all of the independent carrier parties and exchange information with them, with respect to any matter authorized herein, prior to meetings of the Agreement.

ARTICLE 8: VOTING

There is no voting under this Agreement. Any consensus or agreement reached by some or all parties hereunder shall be a matter of voluntary adherence by those parties choosing to so agree. Provided however, that any matter submitted to Agreement shall be acted upon within two business days following the day of its receipt by the parties.

ARTICLE 9: DURATION AND TERMINATION OF THE AGREEMENT

This Agreement shall enter into force, and may be implemented, as of the first day it becomes effective pursuant to the Shipping Act of 1984. This Agreement shall continue in effect indefinitely until cancelled by the parties. Any party may terminate its membership in the Agreement by giving thirty (30) days' written notice to the other parties. Notice of withdrawal of a party shall be promptly furnished to the Federal Maritime Commission.

ARTICLE 10: AMENDMENTS AND EXECUTION

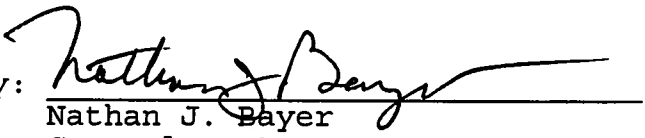
This Agreement may be modified by unanimous agreement of the parties and any modification hereto shall be executed in writing. If is executed by separate counterparts, each such counterpart shall be deemed an original, and all of which together shall constitute a single instrument.

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SIGNATURE PAGE

IN WITNESS WHEREOF, the Members to FMC Agreement No. 202-011426 hereby agree this 31st day of March, 1997, to amend and restate the Agreement as per the attached pages, and to file same with the U.S. Federal Maritime Commission.

WEST COAST OF SOUTH AMERICA
DISCUSSION AGREEMENT

By: 
Nathan J. Bayer
Counsel to Agreement
Authorized to Execute
Modification Pursuant to
Article 6 of the Agreement

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Conference Parties

West Coast of South America Agreement
and its Member Lines
c/o Associated Conferences Secretariat, Inc.
111 Pavonia Avenue, East
Suite 434
Jersey City, NJ 07310

And its Member Lines:

A.P. Moller-Maersk Line
Esplanaden 50
DK-1098 Copenhagen
Denmark

Compania Chilena De Navigacion
Interoceania, S.A.
Av. L.B. O'Higgins 949
Piso 22
Santiago, Chile

Compania Sud Americana De
Vapores, S.A.
P.O. Box 49-V
Valparaiso, Chile

Crowley American Transport, Inc.
P.O. Box 2110
Jacksonville, FL 32202-2100

Sea-Land Service, Inc.
6000 Carnegie Boulevard
Charlotte, NC 28209

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Independent Carrier Parties

Naviera Consolidada S.A.
8355 N.W. 53rd Street
Manchester Building
Suites 112 and 114
Miami, FL 33166

Mediterranean Shipping Company, SA
18 Chemin Rieu
1208 Geneva, Switzerland

Seaboard Marine Ltd.
1300 N.W. 78th Avenue
Miami, FL

Trinity Shipping Line, S.A.
8347 N.W. 68th Street
Miami, FL 33166

P&O Nedlloyd B.V.
One Meadowlands Plaza
12th Floor
East Rutherford, NJ 07073

South Pacific Shipping Company, Ltd.
d/b/a Ecuadorian Line
Claredon House
Church Street-West
Hamilton 5-31 Bermuda

Interocean Lines Inc.
Nations Bank Tower
100 SE. 2nd Street
Suite 2930
Miami, FL 33131

Transportacion Maritima
Grancolombiana, S.A.
Carrera 13 No. 27-75
Bogota, Colombia